

REMARKS

In the Official Action mailed on **January 12, 2005**, the Examiner reviewed claims 1, 4-9, 12-17, and 20-24. Claims 1, 9, and 17 were rejected under 35 U.S.C. §103(a) as being unpatentable over Chen et al. (USPN 5,590,197, hereinafter “Chen”) in view of Franklin et al. (USPN 6,000,832, hereinafter “Franklin”) and further in view of Schneier (*Applied Cryptography 2nd edition*, hereinafter “Schneier”) and further in view of Mandelbaum et al. (USPN 5,544,246, hereinafter “Mandelbaum”).

Rejections under 35 U.S.C. §103(a)

Independent claims 1, 9, and 17 were rejected as being unpatentable over Chen et al. in view of Franklin et al. and further in view of Schneier and further in view of Mandelbaum. Applicant respectfully points out that Chen and Franklin teach **using a secured network** to validate customer account information with the account servicer (credit processor/financial institution) (see Chen column 4, lines 50-54; column 4, lines 63-67; Figure 1; see Franklin column 4, lines 35-43; Figure 1; Figure 7).

In contrast, the present invention teaches using a **coupling network**, such as the Internet, to validate customer account information with the account servicer (see page 6, lines 25-26, page 7, line 5; page 7, line 9 of the instant application). Note that the **Internet is insecure** (see page 2, lines 3-5 of the instant application). In order to determine if the customer account information is valid, the merchant must first verify that the financial institution information sent by the customer is valid (see page 10, lines 1-6; FIG. 3 of the instant application). To determine if the financial institution is a recognized financial institution, the merchant *validates that the financial institution certificate was signed by the recognized certificate authority*, such as the U.S. Treasury (see page 10, lines 1-3 of the instant application). After the merchant determines that the financial

institution is valid, the merchant sends the customer identifier and consumer certificate so that the financial institution can validate that the customer has an account with the financial institution (see page 10, lines 4-6 of the instant application).

The benefit to first validating that a financial institution is a recognized financial institution (by checking that the financial institution certificate was signed by the recognized certificate authority) is that an insecure and/or an open network, such as the Internet, can be used instead of a secured or a closed network. If a financial institution is not validated when using an insecure network, an unscrupulous consumer could direct a merchant to a fraudulent financial institution which could then falsely authenticate the consumer thereby defrauding the merchant.

Hence, there is nothing within Chen or Franklin, either separately or in concert, that suggests validating that a financial institution is a recognized financial institution by checking that the financial institution certificate was signed by the recognized certificate authority.

Accordingly, Applicant has amended independent claims 1, 9, and 17 to clarify that the present invention teaches *validating by the merchant that the financial institution identified by the financial transaction is acceptable involves receiving at the merchant the first certificate and validating that the first certificate was signed by the recognized certificate authority*. These amendments find support on page 6, lines 25-26, page 7, line 5; page 7, line 9; page 10, lines 1-6; FIG. 3.

Hence, Applicant respectfully submits that independent claims 1, 9, and 17 as presently amended are in condition for allowance. Applicant has also cancelled claims 8, 16, and 24. Applicant also submits that claims 4-7, which depend upon claim 1, claims 12-15, which depend upon claim 9, and claims 20-23, which depend upon claim 17, are for the same reasons in condition for allowance and for reasons of the unique combinations recited in such claims.

CONCLUSION

It is submitted that the present application is presently in form for allowance. Such action is respectfully requested.

Respectfully submitted,

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